

Volkswagen Diesel Emissions Environmental Mitigation Trust  
for State Beneficiaries, Puerto Rico, and the District of Columbia  
c/o Wilmington Trust, N.A. as Trustee  
Wilmington Trust, National Association  
Rodney Square North  
1100 North Market Street  
Attn: Capital Markets & Agency Services  
Wilmington, DE 19890

To Whom It May Concern:

The State of Oklahoma certified its beneficiary status under the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries (Agreement) on January 29, 2018, and the Oklahoma Department of Environmental Quality (DEQ) was concurrently designated as Oklahoma's lead agency. As such, the State of Oklahoma must comply with the beneficiary reporting obligations as described in Section 5.3 of the Agreement. The State of Oklahoma, through DEQ, received the first disbursement of Trust Assets on September 28, 2018, triggering the beginning of semiannual reporting requirements.

During the reporting period of January 1, 2020 to June 30, 2020, the State of Oklahoma, through DEQ, elected to take advantage of three Eligible Mitigation Action categories from Appendix D-2 of the Agreement: Category 2 (Class 4-8 Eligible Buses), Category 9 (Light-Duty Zero Emission Vehicle Supply Equipment), and Category 10 (DERA Option). In addition, DEQ was in the planning stages for utilizing the following additional categories as part of an upcoming on-road vehicles program: Category 1 (Class 8 Local Freight Trucks and Port Drayage Trucks, and Category 6 (Class 4-7 Local Freight Trucks). As lead agency on behalf of the beneficiary, DEQ is submitting the attached reports, along with its DERA Quarterly Programmatic Reports, in satisfaction of the State of Oklahoma's beneficiary obligations under Section 5.3 of the Agreement. Per Section 5.3 of the Agreement, DEQ is also including the required attestation below.

If you have any further questions regarding this report, please contact Heather Lerch at 405-702-4100.

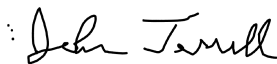
Thank you,

John Terrill, Division Director  
[Eddie.Terrill@deq.ok.gov](mailto:Eddie.Terrill@deq.ok.gov)

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**Attestation:**

I attest that the information contained in this letter and the attached reports are true and correct, and acknowledge that this submission is made under penalty of perjury.



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John Terrill, Division Director  
Air Quality Division, Oklahoma Department of Environmental Quality

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# VOLKSWAGEN ENVIRONMENTAL MITIGATION TRUST SEMIANNUAL REPORT

**BENEFICIARY:** State of Oklahoma

**LEAD AGENCY:** Oklahoma Department of Environmental Quality

**REPORTING PERIOD:** January 1, 2020 – June 30, 2020

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## I. INTRODUCTION

The State of Oklahoma certified its beneficiary status under the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries (Agreement) on January 29, 2018, and the Oklahoma Department of Environmental Quality (DEQ) was concurrently designated as lead agency for the State of Oklahoma. As such, the State of Oklahoma must comply with the beneficiary reporting obligations as described in Section 5.3 of the Agreement. The State of Oklahoma, through DEQ, received the first disbursement of Trust Assets on September 28, 2018, triggering the beginning of semiannual reporting requirements.

During the reporting period of January 1, 2020 to June 30, 2020, the State of Oklahoma, through DEQ, elected to take advantage of three Eligible Mitigation Action categories from Appendix D-2 of the Agreement: Category 2 (Class 4-8 Eligible Buses), Category 9 (Light-Duty Zero Emission Vehicle Supply Equipment), and Category 10 (DERA Option). In addition, DEQ was in the planning stages for utilizing the following additional categories as part of an upcoming on-road vehicles program: Category 1 (Class 8 Local Freight Trucks and Port Drayage Trucks, and Category 6 (Class 4-7 Local Freight Trucks). Section II of this report details the progress and status of these programs during the applicable reporting period. Section III provides an overview of Oklahoma's allocated portion of the State Mitigation Trust (Trust) in relation to allowed percentages in the Agreement and in the Oklahoma Beneficiary Mitigation Plan (BMP). Additional materials providing further detail on development and implementation of current programs appear in the provided Appendices. More information can be found on the Oklahoma Volkswagen Settlement webpage, <https://www.deq.ok.gov/air-quality-division/volkswagen-settlement/>.

## II. INDIVIDUAL PROGRAM STATUS AND PROJECT PROGRESS SUMMARIES

### A. OKLAHOMA CLEAN DIESEL PROGRAM

Oklahoma has elected to take advantage of the Diesel Emissions Reduction Act (DERA) Option in Section 10 of Appendix D-2 of the Agreement; The Oklahoma Clean Diesel Program represents Oklahoma's participation in the DERA program. The website for the Oklahoma Clean Diesel Program is <https://www.deq.ok.gov/air-quality-division/clean-diesel-dera/>

Oklahoma is currently involved in one DERA funding grants: Grant #DS-01F65501-0 covers the FY19 Oklahoma Clean Diesel Program. DEQ is submitting its DERA Quarterly Programmatic Reports in satisfaction of its reporting obligations under Section 5.3 of the Agreement. DEQ was granted an extension on the current quarterly report because communications from a few schools has been slow, presumably from the pandemic. Please see Appendix A of this report to view the last DERA quarterly reports. More details on these programs are below.

**1. FY19 DERA**

DEQ was awarded \$480,177 on September 9, 2019 by EPA for the FY19 DERA program. DEQ submitted an advanced D-4 to the Trust, with Project ID# DS-01F65501-0, on September 26, 2019. This D-4 was approved on November 26, 2019. One Attachment A funding request was submitted for this program on January 8, 2020, which reflected \$38,475 for administrative costs.

The FY19 Oklahoma Clean Diesel Program focuses on replacing diesel school buses of EMY 1996-2009 with new gasoline or new diesel school buses. During this reporting period, thirteen entities were selected to receive awards. All the project partners are currently in the project implementation phase, and no reimbursements have been issued to date. As a result of this program, DEQ anticipates that 30 old diesel school buses will be replaced with 30 new diesel or gasoline school buses throughout the state. Because the FY19DERA program is part of a 2-year grant, DEQ anticipates that it will share a project end date with FY20 DERA of September 1, 2021.

**TABLE 1: FY19 DERA ESTIMATED (REQUESTED) PROJECT COSTS VS. ACTUAL PROJECT COSTS**

*Blank fields indicate that projects are still in progress and amounts are not yet known.*

<b>Project Partner</b>	<b>Estimated Award Amount</b>	<b>Actual Reimbursement Amount</b>	<b>Estimated Amount To Be Funded by Trust</b>	<b>Actual Amount To Be Funded by Trust</b>	<b>Difference*</b>
Edmond Public Schools	\$239,607.50	-	\$95,843.00	-	-
Davenport Public Schools	\$40,930.00	-	\$16,372.00	-	-
Mustang Public Schools	\$62,907.75	-	\$25,163.10	-	-
Noble Public Schools	\$42,500.00	-	\$17,000.00	-	-
Boswell Public Schools	\$45,000.00	-	\$18,000.00	-	-
Washington Public Schools	\$39,963.50	-	\$15,985.40	-	-
Lexington Public Schools	\$22,500.00	-	\$9,000.00	-	-
Middleberg Public Schools	\$43,804.00	-	\$17,521.60	-	-
Bishop Public Schools	\$20,920.50	-	\$8,368.20	-	-
Silo Public Schools	\$25,000.00	-	\$10,000.00	-	-
Fort Towson Public Schools	\$59,750.00	-	\$23,900.00	-	-
Enid Public Schools	\$38,317.00	-	\$15,326.80	-	-
Mounds Public Schools	\$19,989.00	-	\$7,995.60	-	-
<b>TOTALS</b>	<b>\$701,189.25</b>	<b>-</b>	<b>\$280,475.70</b>	<b>-</b>	<b>-</b>
		<b>Administrative</b>	<b>\$38,475.00</b>	<b>-</b>	<b>-</b>

*\*Because this D-4 was submitted as an advance without Attachment A funding requests, Oklahoma anticipates that no refunds to the Trust will be necessary.*

## **2. FY20 DERA**

During the reporting period of January 1, 2020 to June 30, 2020, Oklahoma applied for the FY20 DERA program. DEQ expects to receive the award and submit the associated advanced D-4 funding request during the next reporting period. The workplan for the FY20 DERA program, as submitted to EPA on April 15, 2020, is attached as Appendix B of this document.

## **B. OKLAHOMA ALTERNATIVE FUEL SCHOOL BUS PROGRAM**

The Oklahoma Alternative Fuel School Bus Program was launched in November of 2018. This program replaces diesel school buses of EMY 2009 or older with new alternative fuel school buses, and was designed to function as a competitive reimbursement grant program. Eligible fuels for this program include electric, CNG, and propane/LPG. The website for the Oklahoma Alternative Fuel School Bus Program can be found at the following link: <https://www.deq.ok.gov/air-quality-division/volkswagen-settlement/alternative-fuel-school-bus-program/>. This program was budgeted to be fully funded by the Volkswagen Trust.

### **1. FY2018 (YEAR ONE) ALTERNATIVE FUEL SCHOOL BUS PROGRAM**

The D-4 for this round of funding, with project ID # OK-AFSB-1, was approved on July 24, 2019. The Request for Proposals, or RFP, was published on October 17, 2018 and subsequently modified on November 27, 2018 in order to extend the deadline for applications to December 20, 2018.

During this project period, out of the eleven schools selected for award, ten schools replaced 27 diesel school buses with new propane/LPG or natural gas/CNG school buses, and one school terminated their project. This program has a time period of three years, but all projects have been completed and reimbursed more than a year prior to the deadline. Projected termination dates for these projects was September 1, 2021; this deadline has been met by all awardees.

DEQ is in the process of closing out D-4 with project ID # OK-AFSB-1, and is processing a refund for the remainder. Amounts that are in the process of being refunded include:

\$ 16.38	from Bethany PS
\$215,000.00	from Lawton PS
\$149,662.68	Administrative Funds

**TABLE 2: FY2018 (YEAR ONE) ALTERNATIVE FUEL SCHOOL BUS PROJECT SUMMARIES**

<b>Project Partner</b>	<b>Estimated Award Amount</b>	<b>Actual Reimbursement Amount</b>	<b>Estimated Amount To Be Funded by Trust</b>	<b>Actual Amount Funded by Trust</b>	<b>Difference</b>
Anadarko PS	\$226,955.00	\$226,955.00	\$226,955.00	\$226,955.00	\$0.00
Bethany PS	\$90,000.00	\$89,983.62	\$90,000.00	\$89,983.62	\$16.38
Keys PS	\$90,836.00	\$90,836.00	\$90,836.00	\$90,836.00	\$0.00
Lawton PS	\$215,000.00	\$0.00	\$215,000.00	\$0.00	\$215,000.00
Mangum PS	\$88,966.00	\$88,966.00	\$88,966.00	\$88,966.00	\$0.00
McCord PS	\$36,655.00	\$36,655.00	\$36,655.00	\$36,655.00	\$0.00
Perkins-Tryon PS	\$128,092.00	\$128,092.00	\$128,092.00	\$128,092.00	\$0.00
Ponca City PS	\$41,977.50	\$41,977.50	\$41,977.50	\$41,977.50	\$0.00
Stroud PS	\$45,418.00	\$45,418.00	\$45,418.00	\$45,418.00	\$0.00
Weatherford PS	\$215,760.00	\$215,760.00	\$215,760.00	\$215,760.00	\$0.00
Wellston PS	\$161,544.00	\$161,544.00	\$161,544.00	\$161,544.00	\$0.00
<b>TOTALS</b>	<b>\$1,341,203.50</b>	<b>\$1,126,187.12</b>	<b>\$1,341,203.50</b>	<b>\$1,126,187.12</b>	<b>\$215,016.38</b>
		<b>Administrative</b>	<b>\$176,568.96</b>	<b>\$26,906.28</b>	<b>\$149,662.68</b>

**2. FY2019 (YEAR TWO) ALTERNATIVE FUEL SCHOOL BUS PROGRAM**

The advance D-4 for this round of funding, with project ID # OK-AFSB-2, was submitted on October 8, 2019 and approved on December 9, 2019. No Attachment A funding requests were submitted for this program during the reporting period. The project termination date for the remaining projects is September 1, 2022.

A grant solicitation for this program was published on October 22, 2019, which officially opened up the application period. Eleven applications were accepted during this application period which closed on December 6, 2019. After review by the scoring committee, all accepted applications were approved for funding.

During this project period, awardees were notified mid-January 2020 via phone call and mailed an award packet. By the end of March 2020, purchase orders for all entities were created and a Notice to Proceed was sent to each recipient. The successful completion of these projects would result in 33 old diesel buses being replaced by 33 new propane/LPG buses by public schools across Oklahoma. Despite schools having many uncertainties in regards to the school year and the budget, some entities have made good progress on their projects with expected completion dates in the next reporting period.

**TABLE 3: FY 2019 (YEAR TWO) ALTERNATIVE FUEL SCHOOL BUS PROJECT SUMMARIES***Blank fields indicate that projects are still in progress and amounts are not yet known.*

Project Partner	Estimated Award Amount	Actual Reimbursement Amount	Estimated Amount To Be Funded by Trust	Actual Amount Funded by Trust	Difference*
Anadarko PS	\$227,090.00	-	\$227,090.00	-	-
Battiest Schools	\$225,877.00	-	\$225,877.00	-	-
Bethany School District	\$93,790.90	-	\$93,790.90	-	-
Chattanooga PS	\$181,288.00	-	\$181,288.00	-	-
Cordell PS	\$125,257.23	-	\$125,257.23	-	-
Davenport PS	\$44,054.00	-	\$44,054.00	-	-
Gans PS	\$125,257.23	-	\$125,257.23	-	-
Keys PS	\$125,624.00	-	\$125,624.00	-	-
Ponca City PS	\$91,834.00	-	\$91,834.00	-	-
Wellston PS	\$115,505.00	-	\$115,505.00	-	-
Empire PS	\$83,628.00	-	\$83,628.00	-	-
<b>TOTALS</b>	<b>\$1,439,205.36</b>	-	<b>\$1,439,205.36</b>	-	-
		<b>Administrative</b>	<b>\$65,000</b>	-	-

*\*Because this D-4 was submitted as an advance without Attachment A funding requests, Oklahoma anticipates that no refunds to the Trust will be necessary. Entities with no Actual Reimbursement Amounts listed have not yet completed their projects and thus not been reimbursed.*

**C. CHARGEOK**

The ChargeOK program Round 1 launched in December of 2018 to fund electric vehicle charging stations throughout the State of Oklahoma. Applications were accepted until March 1, 2019. ChargeOK projects were selected by an inter-agency panel. The projected termination date for these projects is September 21, 2021. The website for the ChargeOK Program can be found at the following link: <https://www.deq.ok.gov/air-quality-division/volkswagen-settlement/chargeok-oklahoma-electric-vehicle-charging-program/> . Two D-4s have been submitted for ChargeOK Round 1; The D-4 for Part 1, with Project ID #OK-EVSE was submitted on September 19, 2019 and approved on November 18, 2019. The D-4 for Part 2, with Project ID OK-EVSE-2 was submitted on October 8, 2019 and approved on November 18, 2019.

Due to cancelled projects and projects being built under budget in Round 1 Part 1, of the \$1,833,984.47 funds requested, only \$1,718,953.90 were used. Therefore, DEQ anticipates that approximately \$115,030.48 will need to be returned to Wilmington Trust. The final calculation and associated return to the Trust will be made once all projects from this round have been completed.

**TABLE 4: ChargeOK Round 1 Part 1 PROJECT SUMMARIES***Blank fields indicate that projects are still in progress and amounts are not yet known.*

Project Description	Project Partner	Estimated Project Total	Estimated Amount To Be Funded by Project Partner	Estimated Amount To Be Funded by Trust	Actual Amount Funded by Trust	Difference
Install 1 level 2 charger in Pawhuska OK	City of Pawhuska	\$21,394.00	\$4,278.80	\$17,115.20	-	-
Install 1 level 2 charger at the Holiday Inn Express & Suites, Owasso OK	Roshan Patel DBA Leisurehm	\$10,100.00	\$2,020.00	\$8,080.00	\$8,080.00	\$0.00
Install 1 level 2 charger at The Fairfield Inn and Suites, Catoosa OK	Roshan Patel DBA Leisurehm	\$10,100.00	\$2,020.00	\$8,080.00	\$8,080.00	\$0.00
Install 10 level 2 chargers at 4 locations in Edmond OK	City of Edmond	\$55,235.00	\$29,868.00	\$25,367.00	-	-
Install 1 level 3 charger each in Edmond, Midwest City, and Oklahoma City OK	OnCue	\$390,440.36	\$97,610.09	\$292,830.27	-	-
Install 1 level 3 charger at 2837 NW 36 <sup>th</sup> St. Oklahoma City OK	OnCue	\$128,974.32	\$32,335.32	\$96,639.00	-	-
Install 2 level 2, and 2 level 3 Chargers in Chandler OK The reassigned project was changed to 4 level 3 chargers	Carey Johnson Oil Company reassigned to Francis Solar	\$181,863.00	\$66,902.00	\$114,961.00	\$114,961.00	\$0.00
Install 2 level 2, and 1 level 3 charger in McAlester OK The reassigned project was changed to 4 level 3 chargers	Carey Johnson Oil Company reassigned to Francis Solar	\$182,063.00	\$66,972.00	\$115,091.00	\$114,961.00	\$130.00
Install 2 level 3 chargers in Enid, Guymon, Henryetta, Norman, Seiling, Stillwater, and Tulsa Ok. Install 4 level 3 chargers in Blackwell, Lawton, Muskogee, Tulsa, Wagoner, OK.	Francis Solar	\$5,940,629.13	\$5,049,708.70	\$890,920.43	\$776,019.86	\$114,900.57
	<b>Administrative</b>	\$150,000.00	\$0.00	\$150,000.00	-	\$0.00
	<b>Project Totals</b>	<b>\$7,070,798.81</b>	<b>\$5,351,714.91</b>	<b>\$1,719,083.90</b>	-	<b>\$115,030.57</b>
	<b>Percentage</b>	100%	75.69%	24.31%	-	0.016%

**TABLE 5: ChargeOK Round 1 Part 2 PROJECT SUMMARIES***Blank fields indicate that projects are still in progress and amounts are not yet known.*

Project Description	Project Partner	Estimated Project Total	Estimated Amount To Be Funded by Project Partner	Estimated Amount To Be Funded by Trust	Actual Amount Funded by Trust	Difference*
Install 8 level 2 charger at Oklahoma City Community College in Oklahoma City	Oklahoma City Community College	\$255,506.00	\$127,753.00	\$127,753.00	-	-
Install 2 level 3 chargers in Antlers, Chickasha and Muskogee Oklahoma. Install 4 level 3 chargers in Durant, Oklahoma.	Francis Solar	\$1,761,367.00	\$1,497,161.00	\$264,206.00	-	-
	<b>Administrative</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Project Totals</b>	<b>\$2,016,873.00</b>	<b>\$1624,914.00</b>	<b>\$391,959.00</b>	-	-
	<b>Percentage</b>	100%	84.87%	15.13%	-	-

**TABLE 6: ChargeOK PROJECT STATUS Round 1 Part 1**

Project Description	Project Partner	STATUS UPDATE
Install 1 level 2 charger in Pawhuska OK	City of Pawhuska	Almost complete, needs software installation
Install 1 level 2 charger at the Holiday Inn Express & Suites, Owasso OK	Roshan Patel DBA Leisurehm	Project completed and reimbursed
Install 1 level 2 charger at The Fairfield Inn and Suites, Catoosa OK	Roshan Patel DBA Leisurehm	Project completed and reimbursed
Install 10 level 2 chargers at 4 locations in Edmond OK	City of Edmond	Three locations completed working on the fourth.
Install 1 level 3 charger each in Edmond, Midwest City, and Oklahoma City OK	OnCue	Edmond project complete and reimbursement requested. Midwest City is in progress, and the Oklahoma City Convenience store is being built.
Install 1 level 3 charger at 2837 NW 36 <sup>th</sup> St. Oklahoma City OK	OnCue	Charger installation is in progress.
Install 2 level 3 chargers in Enid, Guymon, Henryetta, Norman, Seiling, Stillwater, and Tulsa Ok. Install 4 level 3 chargers in Blackwell, Chandler, Lawton, McAlester, Muskogee, Tulsa, Wagoner, OK.	Francis Solar	All projects completed and reimbursed.



**TABLE 7: ChargeOK PROJECT STATUS Round 1 Part 2**

Project Description	Project Partner	STATUS UPDATE
Install 8 level 2 charger at Oklahoma City Community College in Oklahoma City	Oklahoma City Community College	Almost complete, installing signs
Install 2 level 3 chargers in Antlers, Chickasha and Muskogee Oklahoma. Install 4 level 3 chargers in Durant, Oklahoma.	Francis Solar	Project completed and reimbursement requested

**D. On-Road Vehicle Program**

All program announcement documents have been prepared. The application period will open on July 13, 2020 and the application period will close on September 30, 2020. The website for the On-Road Program can be found at the following link: <https://www.deq.ok.gov/air-quality-division/volkswagen-settlement/on-road-program/>. No D-4's have been submitted yet for the On-Road Program.

### III. FUNDING AND EMISSIONS OVERVIEW

#### A. D-4 Submittal Summary

During this project period, DEQ did not submit any additional D-4s, and completed projects related to D-4 # OK-AFSB-1. The below table summarizes all submitted D-4 requests and their associated administrative costs. DEQ's requested funds for administrative costs remains well below the 15% cap as required by the Agreement.

**TABLE 8: D-4 SUBMITTAL SUMMARY**

Sequential Request #	Program/ Submittal Name	D-4 Project ID	Date Submitted to Trust	Date Approved by Trust	Requested Amount*	Request % total allocation	Requested Administrative*	Administrative % of request	Administrative % of allocation
1	DERAFY17	DS-01F36801-0	08/09/19	09/21/19	\$163,236.56	0.78	\$0.00	0.00	0.00
2	DERAFY18	DS-01F36801-0 (2)	05/06/19	07/08/19	\$296,776.70	1.42	\$20,012.00	6.70	0.10
3	AFSB1	OK-AFSB-1	05/06/19	07/24/19	\$1,153,093.40	5.51	\$26,906.28	1.77	0.13
4	Oklahoma EVSE Program FY19	OK-EVSE	08/13/19	10/15/19	\$1,833,984.47	8.77	\$150,000.00	8.18	0.72
5	Oklahoma EVSE Program FY19	OK-EVSE-2	09/19/19	11/18/19	\$1,304,388.20	6.23	\$0.00	0.00	0.00
6	DERAFY19	DS - 01F65501 - 0	09/26/19	11/26/19	\$320,118.00	1.53	\$38,475.00	12.02	0.18
7	AFSB2	OK-AFSB-2	10/08/19	12/9/2019	\$2,666,724.56	12.75	\$65,000.00	2.44	0.31
<b>TOTAL</b>					<b>\$7,738,321.89</b>	<b>36.99</b>	<b>\$300,393.28</b>	<b>n/a</b>	<b>0.22</b>

\*Includes refunds or refunds that are currently in-process

**B. BMP Compliance Review**

DEQ submitted Oklahoma’s Beneficiary Mitigation Plan (BMP) through Intralinks on June 8, 2018, and no amendments have been submitted. The BMP outlines the percentage of Oklahoma’s Trust allocation that will be allotted to each Eligible Mitigation Action category from Appendix D-2 of the Agreement; any deviation from these allotments as published in the BMP must be submitted to the Trust as an amendment. Table 5 compares the current amount of funds requested by Oklahoma to the amount of funds that have been set aside per the BMP. At this time, Oklahoma is within the designated percentages and will not need to adjust the BMP.

**TABLE 9: BMP ALLOCATION BALANCE CHECK**

BMP Allocations			Requested	Remaining
Alternative Fuel School Bus <i>(Category 2, Eligible Buses)</i>	20%	\$4,184,497.02	\$3,819,817.96	\$1,153,093.40
Oklahoma Clean Diesel/ Diesel Emissions Reduction Act <i>(Category 10, DERA Option)</i>	10%	\$2,092,248.51	\$780,131.26	\$1,312,117.25
On-Road <i>(Category 1, Eligible Large Trucks; Category 2, Eligible Buses; Category 6, Medium Trucks)</i>	20%	\$4,184,497.02	\$0.00	\$4,184,497.02
Off-Road <i>(Category 3, Freight Switchers; Category 4, Ferries/Tugs; Category 7, Airport Ground Support Equipment; Category 8, Forklifts and Port Cargo Handling Equipment)</i>	20%	\$4,184,497.02	\$0.00	\$4,184,497.02
ChargeOK/Electric Vehicle Charging Infrastructure <i>(Category 9, Light Duty Zero Emission Vehicle Supply Equipment)</i>	15%	\$3,138,372.77	\$3,138,372.67	\$0.10
Flex Fund <i>(Categories to be determined at a later date)</i>	15%	\$3,138,372.77	\$0.00	\$3,138,372.77

**C. EMISSIONS REDUCTIONS OVERVIEW**

The Trust was created in order to mitigate excess emissions caused by subject vehicles. As such, all projects carried out by DEQ have been selected using emissions reductions as a primary selection consideration. In addition, DEQ is required to calculate and report expected emissions reductions from any project funded by the Trust as part of each D-4 funding request. A summary of total estimated emissions reductions achieved by projects submitted for funding appear in the table below. The below values have been updated as needed if changes have occurred during project implementation.

**TABLE 10: SUMMARY OF ESTIMATED EMISSIONS REDUCTIONS**

(\* indicates preliminary estimates, as projects are not completed)

(\*\* indicates that the chosen calculator does not create values for this emission)

(\*\*\* indicates that estimates have been updated due to project changes since the last semiannual report submittal)

D-4 Sequential Request #	Program/ Submittal Name	D-4 Project ID	Tool Used	Metric Notes	NOx	PM2.5	HC	CO	CO2	VOC
1	DERAFY17	DS-01F36801-0	Diesel Emissions Quantifier (DEQ)	lifetime short tons	9.112	0.709	1.299	4.046	1,208.7	**
2	DERAFY18	DS-01F36801-0 (2)	DEQ	lifetime short tons	14.38	1.1	2.2	6.79	2,019.6	**
3	AFSB1	OK-AFSB-1	DEQ	lifetime short tons	16.07	0.87	1.74	5.91	3,167.1	**
4	Oklahoma EVSE Program FY19***	OK-EVSE	GREET	5 yr short tons	14.45	**	**	178.71	18,272.8	17.43
5	Oklahoma EVSE Program FY19***	OK-EVSE-2	GREET	5 yr short tons	10.53	**	**	130.24	13,317.3	2.08
6	DERAFY19*	DS-01F65501-0	DEQ	lifetime short tons	8.830	0.360	0.901	2.478	838.9	**
7	AFSB2*	OK-AFSB-2	DEQ	lifetime short tons	16.570	1.062	2.381	6.85	2,524.5	**
<b>TOTAL</b>					<b>89.942</b>	<b>4.101</b>	<b>8.521</b>	<b>335.024</b>	<b>41,348.9</b>	<b>19.51</b>

## **IV. APPENDIX A: DERA QUARTERLY REPORTS**

## **FY19 DERA Quarterly Report April-June 2020**

The current quarterly report for the FY19 DERA grant, spanning April 1, 2020 through June 30, 2020, has been given a deadline extension by EPA because of delayed responses from several schools; delayed responses are presumably due to COVID-19.

**U. S. Environmental Protection Agency  
 State Clean Diesel Grant Program - Quarterly Report**

<b>Grant Recipient</b>	<b>OK Dept. of Environmental Quality</b>
<b>Grant #</b>	<b>01F65501</b>
<b>Reporting Period</b>	<b>January - March, 2020</b>

**Instructions:** Complete all relevant fields in this worksheet and use the other

<b>WORKPLAN BUDGET</b>	<b>FY18</b>	<b>FY19</b>
<b>Total EPA Funds Awarded</b>	\$413,148.00	\$480,177.00
<b>Total Mandatory Cost-Share</b>	\$1,915,644.00	\$2,112,324.00
<b>Total Voluntary Matching Funds</b>	\$275,432.00	\$320,110.00
<b>Total Project Costs</b>	\$2,604,224.00	\$2,912,611.00

**Table 1. Rate of Expenditure. Record all funds expended for each budget category.**

	Federal Funds Expended this Reporting Period	Mandatory Cost-Share Expended this Reporting Period	Voluntary Match Expended this Reporting Period		Cumulative Federal Funds Expended	Cumulative Mandatory Cost-Share Expended	Cumulative Voluntary Match Expended	
			Mitigation Funds	Other Funds			Mitigation Funds	Other Funds
Personnel	\$2,210.26		\$1,473.37		\$6,539.37		\$4,338.30	
Fringe Benefits	\$1,323.43		\$882.09		\$3,265.68		\$2,194.48	
Travel								
Equipment								
Supplies								
Contractual								
Subawards								
Participant Support Costs (e.g., Rebates)								
Other								
Indirect Charges	\$991.91		\$661.17		\$2,752.35		\$1,833.75	
<b>TOTALS</b>	<b>\$4,525.60</b>	<b>\$0.00</b>	<b>\$3,016.63</b>	<b>\$0.00</b>	<b>\$12,557.40</b>	<b>\$0.00</b>	<b>\$8,366.53</b>	<b>\$0.00</b>

**Table 2. Narrative Responses**

<b>Question</b>	<b>Answer</b>
What actual accomplishments occurred during the reporting period?	Thirteen awardees have been notified of selection and have accepted the award. Prior to beginning work on each project, DEQ requires that a Memorandum of Agreement (MOA) be executed between DEQ and the recipient, and requires that a DEQ Purchase Order be created. All but one MOA has been executed. Ten schools have had their Purchase Orders processed and were given their Notice to Proceed at the end of March.
Did you award any rebates or subawards during the reporting period? If so, list the recipients and how much funding they received.	Thirteens schools have been awarded the DERA grant. They will not be reimbursed until their projects are complete and have supplied a Certificate of Destruction for each bus being put out of service. See Awardees sheet for a list of schools, award amounts, and number of buses.
Provide a comparison of actual accomplishments with the anticipated outputs/outcomes and timelines/milestones specified in the project Work Plan.	DEQ started a new process of having the Purchase Order processed before sending out the Notice to Proceed. The workplan for this project indicated that the MOAs be completed by January 31st and for projects to begin during February. However, DEQ did not begin to send Notices to Proceed until late March. This was due to a revision to DEQ's internal processes, and the new process took longer than expected
If anticipated outputs/outcomes and/or timelines/milestones are not met, why not? Did you encounter any problems during the reporting period which may interfere with meeting the project objectives?	DEQ will plan and allow time for the Purchase Order submittal and approval process. No problems encountered will interfere with meeting project objectives.
How do you propose to remedy any problems? Identify how and the date you will get back on course to meet the anticipated outputs/outcomes and/or timelines/milestones specified in the project work plan.	The workplan for this project indicated that the MOAs be completed by Jan 31st and for projects to begin during February. However, DEQ did not begin to send Notices to Proceed until late March. This was due to a revision to DEQ's internal processes, and the new process took longer than expected. Though the schools have less time to obtain the school buses, DEQ feels that projects are on track and does not foresee any trouble meeting the objectives of the program. It is not yet evident what affect, if any, the COVID-19 situation will have on the timelines for vehicle purchases; if DEQ is made aware
If any cost-shares are reported for this Reporting Period in Table 1 above, identify the source of the funds.	No cost-shares were reported in this period, but future cost-shares will represent subgrantee matching funds for their purchased vehicles in future quarters.

<p>Was any program income generated during the reporting period? Identify amount of program income, how it was generated, and how the program income was/will be used.</p>	<p>No program income was generated during this reporting period.</p>
<p>Did any public relations events regarding this grant take place during the reporting period?</p>	<p>The list of awardees, their award amounts, and how many buses they are replacing was put on our agency website. Because VW funds were used as a state match, Oklahoma's DERA workplan was also included in our semiannual report to Wilmington Trust, which is placed on a public website, listed below.</p>
<p>What is the URL for the state website listing the total number and dollar amount of subawards, rebates, or loans provided, as well as a breakdown of the technologies funded? Please also list any other state websites used for outreach related to the State DERA Grant Program.</p>	<p><a href="https://www.deq.ok.gov/air-quality-division/air-grants-funding-programs/air-funding-program-recipients">https://www.deq.ok.gov/air-quality-division/air-grants-funding-programs/air-funding-program-recipients</a> <a href="https://www.vwenvironmentalmitigationtrust.com/">https://www.vwenvironmentalmitigationtrust.com/</a></p>
<p>What project activities are planned for the next reporting period?</p>	<p>During April-June, 2020, DEQ plans to send out the one remaining executed MOA and Notice to Proceed. After awardees have received an executed MOA they will start their projects.</p>



**Table 3. Subaward Reporting Requirements**

Requirement	Response
Summaries of results of reviews of financial and programmatic reports	During this quarter, \$4,525.60 of federal funds have been used. The cumulated federal funds expended is \$12,557.40. These funds went toward personnel, fringe, travel, subawards, and indirect charges. Zero dollars of Oklahoma funds (not VW) have been used. No mandatory cost-share funds have been used as no subgrantees have been reimbursed in this quarter. These funds would represent the subgrantees' portions of all vehicles and/or equipment purchased. This quarter, \$3,016.63 of Oklahoma VW funds have been used with a cumulative total of \$8,366.53. These funds went toward subawards only.
Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance	All schools have mailed in signed MOAs. No site visits were done during this quarter.
Environmental results the subrecipient achieved	Since none of the schools received a Notice to Proceed till late March no environmental results were found in this quarter.
Summaries of audit findings and related pass-through entity management decisions	No audits or pass-through entity management decisions have been made.
Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.331(e), 2 CFR 200.207 and the 2 CFR 200.338 Remedies for Noncompliance	N/A

Grant Recipients	Award Amount	Number of Buses
Edmond Public Schools	\$239,607.50	10
Davenport Public Schools	\$40,930.00	1
Mustang Public Schools	\$62,907.75	3
Noble Public Schools	\$42,500.00	2
Boswell Public School	\$45,000.00	2
Washington Public Schools	\$39,963.50	2
Lexington Public Schools	\$22,500.00	1
Middleberg Public Schools	\$43,804.00	2
Bishop Public Schools	\$20,920.50	1
Silo Public School	\$25,000.00	1
Fort Towson Public School	\$59,750	3
Enid Public Schools	\$38,317.00	1
Mounds Public School	\$19,989.00	1

## **V. APPENDIX B: FY20 DERA WORKPLAN**

## **2020 Diesel Emissions Reduction Act (DERA) State Grants**

### **Work Plan and Budget Narrative Template**

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INSTRUCTIONS: States and territories applying for 2020 DERA State Grant funds must use this template to prepare their Work Plan and Budget Narrative.

Please refer to the 2019-2020 DERA State Grants Program Guide full program details, eligibility criteria and funding restrictions, and application instructions.

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## SUMMARY PAGE

**Project Title: Oklahoma Clean Diesel Grant Program**

### **Project Manager and Contact Information**

**Organization Name: Oklahoma Department of Environmental Quality (DEQ)**

**Project Manager: Cecelia Kleman**

**Mailing Address: PO Box 1677, Oklahoma City, OK, 73101-1677**

**Phone: (405) 702-4100**

**Fax: (405) 702-4101**

**Email: [cecelia.kleman@deq.ok.gov](mailto:cecelia.kleman@deq.ok.gov)**

### **Project Budget Overview:**

	<b>2019*</b>	<b>2020</b>
EPA Base Allocation	\$320,118	\$338,007
EPA Match Bonus (if applicable)	\$320,118	\$338,007
State or Territory Voluntary Matching Funds (if applicable)	\$160,059	\$169,004
Mandatory Cost-Share	\$2,112,324	\$2,353,776
<b>TOTAL Project Cost</b>	<b>\$2,912,619</b>	<b>\$3,198,794</b>

\*If state participated in 2019

### **Project Period**

October 1, 2019 – September 30, 2021

### **Summary Statement**

The State of Oklahoma wishes to use the allocation to fund a clean diesel program for the purpose of replacing older school buses. Winning projects will be chosen through a priority system focusing on emission reduction, potential non-attainment counties, and cost effectiveness.

Details on past Oklahoma Clean Diesel Grant Program projects can be found here:

<http://www.deq.state.ok.us/aqdnew/cleandiesel/index.html>

\*\*\*\*

## SCOPE OF WORK

### STATE/TERRITORY GOALS AND PRIORITIES:

Oklahoma is currently designated attainment for all the National Ambient Air Quality Standards (NAAQS) established by the federal government. Oklahoma does have areas that are classified as near non-attainment or potential non-attainment for ozone. This includes the Tulsa and Oklahoma City metropolitan areas, and the city of Lawton in Comanche county. Projects in potential non-attainment areas will have a priority value assigned to them in the selection criteria.

According to data from Version 2 of the 2014 National Emissions Inventory, on-road emissions account for approximately 23.9% of NO<sub>x</sub> emissions, 2.8% of VOC emissions, 2.1% of PM<sub>2.5</sub> emissions, and 1.0% of PM<sub>10</sub> emissions in Oklahoma. Of those on-road emissions, light- and heavy-duty diesel engine emissions account for approximately 50% of NO<sub>x</sub> emissions, 12% of VOC emissions, 70% of PM<sub>2.5</sub> emissions, and 54% of PM<sub>10</sub> emissions.

Oklahoma DEQ will use the Diesel Emissions Quantifier to track the emissions reductions associated with each project. Specific fleet information provided by subgrant recipients will be included to produce more accurate estimates. If specific information is not available, Diesel Emissions Quantifier defaults will be used.

### VEHICLES AND TECHNOLOGIES:

Oklahoma proposes to focus on the replacement of school buses. With the estimated budget, DEQ anticipates replacing 33 buses with FY20 funding; This is in addition to the 30 buses that we expect to be funded with FY19 funding. DEQ is proud to have successfully replaced over 200 school buses with its school bus replacement programs, resulting in a positive impact on air quality.

For FY 2019, the potential projects include:

- Diesel-to-Diesel and Diesel-to-Gasoline School Bus Replacements
  - For diesel school buses, Oklahoma may fund up to 25% of the cost of a replacement school bus powered by a 2018 model year or newer diesel or gasoline engine certified to EPA emission standards. Highway engine emission standards are available at: <https://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-heavy-duty-highway-engines-and-vehicles>. Funds will only be awarded for school buses that meet these standards.

For FY 2020, the potential projects include:

- Diesel-to-Diesel and Diesel-to-Gasoline School Bus Replacements

- For diesel school buses, Oklahoma may fund up to 25% of the cost of a replacement school bus powered by a 2019 model year or newer diesel or gasoline engine certified to EPA emission standards. Highway engine emission standards are available at <https://www.epa.gov/emission-standards-reference-guide/epa-emission-standards-heavy-duty-highway-engines-and-vehicles>. Funds will only be awarded for school buses that meet these standards.

In addition, schools receiving buses will be required to implement and/or maintain anti-idling policies. Anti-idling practices are important because they save fleets money while reducing emissions. Idling should be limited to the engine manufacturer recommendations (generally no more than five minutes). There are different policies which may be applied to implement these practices, such as limiting idling time, vehicle monitoring, and allowing idling only when necessary.

Grant recipients will be required to keep any replacement vehicle in good working order for a minimum of five years after the project period ends.

### **ROLES AND RESPONSIBILITIES:**

DEQ will sub-grant funding to selected awardees based on selection criteria and their ability to meet the grant requirements. Activities will take place at various times during the project period as indicated in the timeline below.

DEQ will be responsible for:

- announcing the Grant Solicitation, award recipients, and ongoing program information on the DEQ's Oklahoma Clean Diesel webpage: <http://www.deq.state.ok.us/AQDNEW/cleandiesel/index.html>.
- scoring and ranking proposals submitted by applicants for subgrants.
- reviewing all proposals and ensuring successful recipients meet EPA funding requirements as established in the 2019-2020 DERA State Grants Program Guide.
- contacting subgrant awardees to inform them of their responsibilities during the project period. If any of the awardees chooses not to accept the award, then the next school on the ranked list will be notified and offered the subgrant award. Applicants not chosen for the subgrant will be notified by the project manager
- maintaining contact with the subgrant recipients, which is critical to the success of each project.
- engaging in outreach activities such as webinars, meetings, and social media to maintain contact with various stakeholders.
- working with subgrant recipients to help arrange award ceremonies or other appropriate recognition, as requested by subgrant recipients.
- communicating program successes with the local and regional news media.

- fulfilling EPA grant reporting requirements.
- ensuring that grant projects are completed within the designated timelines and informing EPA of any discrepancies.
- performing inspections as needed to ensure project work has been completed.

Project partners will be responsible for:

- submitting proposals by the deadline.
- signing Memoranda of Agreement (MOAs).
- completing eligible projects as specified within grant guidelines and timelines.
- maintaining contact with DEQ.
- providing progress reports and financial statements to DEQ.

The Oklahoma Clean Diesel Grant Program will not support grant rebates and/or loan projects.

#### DEQ's Disbursement Methodology

1. Subgrantees are selected.
2. Subgrantees sign MOA describing terms of subgrant, including estimated project cost.
3. MOA is signed by the DEQ Director, Scott A. Thompson.
4. DEQ issues a Purchase Order for the estimated project cost of the subgrant.
5. A copy of the executed MOA, Purchase Order, and a Notice to Proceed is emailed to the subgrantee.
6. Subgrantees carry out details of the selected project, going out to bid for performed work and purchased items as necessary.
7. After project completion, subgrantees submit an invoice for the actual project cost to DEQ, along with any supporting documentation (receipts, bids, etc.).
8. DEQ confirms the project was completed to satisfaction and within grant terms.
9. Once paperwork is in order and all terms are satisfied, DEQ issues payment to subgrantee as reimbursement for project work completed.
10. If enough time remains in the project period, any leftover funds resulting from projects that come in below estimated cost will be considered for additional projects.

DEQ will not utilize any additional leveraged resources beyond any voluntary matching funds or mandatory cost-share funds included in the project budget.



**TIMELINE AND MILESTONES:**

<b>FY 2019</b>		
<b>Action</b>	<b>Start Date*</b>	<b>End Date*</b>
Submit Notice of Intent (NOI)		April 29, 2019
Submit Work Plan and Budget Narrative		May 28, 2019
Submit Grants.gov Application		June 18, 2019
Subgrant Program Development/Develop Grant Solicitation	October 1, 2019	October 20, 2019
Announce Funding and publish Grant Solicitation		October 21, 2019
Accept Applications	October 16, 2019	December 4, 2019
Review and Select Applications	December 18, 2019	January 8, 2020
Make Subawards / Complete MOAs	January 8, 2020	March 31, 2020
Project Implementation	April 1, 2020	September 1, 2020
Procurement and Installation of Equipment	April 1, 2020	September 1, 2020
Monitoring and Oversight of Project	April 1, 2020	September 30, 2021
Quarterly Reporting	April 1, 2020	September 30, 2021
Project Completion Date		September 30, 2021
Final Report Deadline		December 30, 2021

<b>FY 2020</b>		
<b>Action</b>	<b>Start Date*</b>	<b>End Date*</b>
Submit Notice of Intent Participate	February 25, 2020	March 10, 2020
Submit Work Plan, Budget Narrative, and Fleet Description		April 15, 2020
Submit Grants.gov Application		May 14, 2020
Subgrant Program Development/Develop Grant Solicitation	October 1, 2020	October 15, 2020
Announce Funding and publish Grant Solicitation		October 5, 2020
Accept Applications	October 5, 2020	December 4, 2020
Review and Select Applications	December 7, 2020	January 8, 2021
Make Subawards / Complete MOAs	January 11, 2021	February 26, 2021
Project Implementation	March 1, 2021	September 1, 2021
Procurement of New School Bus	March 1, 2021	September 1, 2021
Monitoring and Oversight of Project	March 1, 2021	September 30, 2021
Quarterly Reporting	October 1, 2020	September 30, 2021
Project Completion Date		September 30, 2021
Final Report Deadline		December 30, 2021

\*These dates may be adjusted depending upon the date of the award.

## **DERA PROGRAMMATIC PRIORITIES:**

The Oklahoma Clean Diesel Grant Program will ensure that the programmatic priorities outlined in the Diesel Emissions Reduction Act of 2010 (42 USC 16131 *et seq.*) will be met as described below.

### Areas in non-attainment or maintenance of NAAQS for Ozone and/or PM<sub>2.5</sub>

These grant projects will impact areas with high population density and/or poor air quality. Since Oklahoma has maintained attainment status for all criteria pollutants since 1990, special consideration will be given to the near non-attainment MSAs of Oklahoma City and Tulsa. Oklahoma DEQ is always aware that a period of unusual weather may change Oklahoma's attainment status.

### Areas with toxic air pollutant concerns as identified from the National Air Toxics Assessment (NATA) data

Rogers County is on the 2020 DERA Priority County List per the 2014 National Scale Air Toxics Assessment. This means that all or part of the county's population was exposed to more than 2.0 µg/m<sup>3</sup> of diesel particulate matter emissions.

### Areas designated as Federal Class I areas

The Wichita Mountains National Wildlife Refuge near Lawton, Oklahoma is an 8,900-acre Mandatory Class I Federal Area.

### Areas accepted to participate in EPA's Ozone Advance or PM Advance Programs

The Oklahoma City and Tulsa MSAs are currently participating in the Ozone Advance program to encourage voluntary reductions to maintain current ozone attainment statuses.

### Areas that receive a disproportionate quantity of air pollution from diesel fleets

Grant project funding will impact areas that receive a disproportionate quantity of air pollution from diesel fleets. These areas include school properties, neighborhoods, major highways, and large metropolitan areas. Oklahoma City and Tulsa have many distribution centers such as the Amazon Fulfillment Distribution Center in Oklahoma City. Two major interstates, I-40 and I-35, intersect in Oklahoma City and I-44 passes through both Oklahoma City and Tulsa, bringing heavy semi-truck traffic.

Oklahoma's DERA program will maximize public health benefits to the citizens of the state by giving priority consideration to projects that will reduce diesel emissions in the areas described above. Diesel exhaust contains fine particles which can aggravate asthma and cause lung damage, as well as premature death. These replacements will provide quantifiable reductions of emissions.

The Oklahoma DEQ DERA program offers a diesel to gasoline option. A gasoline engine is less expensive to own and emits less NO<sub>x</sub> than a diesel engine. The Blue Bird Vision gasoline school bus has received full EPA and CARB certification. This model is equipped with a Ford 6.8L

V10 engine. It achieved an emission output of 0.08 g/bhp-hr NO<sub>x</sub> during certification. This output of nitrogen oxides is significantly less than the federal standard of 0.2 g/bhp-hr<sup>1</sup>.

### **EPA'S STRATEGIC PLAN LINKAGE AND ANTICIPATED OUTCOMES/OUTPUTS:**

The Oklahoma Clean Diesel Grant Program will support EPA's FY 2018-22 Strategic Plan Goal 1, Objective 1.1, 'Improve Air Quality,' which states, "work with states and tribes to accurately measure air quality and ensure that more Americans are living and working in areas that meet high air quality standards." Diesel vehicle replacements will reduce local and regional air pollution, including particulate matter, carbon monoxide, hydrocarbons, and toxic air pollutants. These actions will help Oklahoma achieve and maintain health-based air pollution standards and reduce risk from toxic air pollutants, improving air quality for the public.

#### **Outputs**

The outputs of the requested projects will include:

- the number of full vehicle replacements. This will be tracked quarterly by DEQ staff
- the annual pounds of nitrogen oxides, particulate matter, carbon monoxide, carbon dioxide, and hydrocarbon emissions reduced. This will be tracked quarterly by DEQ staff using EPA's Diesel Emissions Quantifier.
- cost effectiveness. This will be tracked quarterly by DEQ staff using the Diesel Emissions Quantifier.
- health benefits. According to a 2005 press release from Lisa Fasano on behalf of EPA, it has been demonstrated that health benefits from diesel emissions reductions outweigh the costs by a ratio of 13:1. DEQ will annually track the value of health benefits from emissions reductions using this ratio and the funds spent on the projects.

#### **Outcomes**

Expected outcomes from projects funded under this program may include, but are not limited to:

- short-term outcomes. Short-term outcomes of the projects will include reduced emissions of pollutants associated with diesel engines.
- medium-term outcomes. Medium-term outcomes of the projects will include widespread adoption of the implemented technology and documented emissions reductions from these and other sources of diesel emissions in multiple states (using the Diesel Emissions Quantifier).
- long-term outcomes. Long-term outcomes of the projects will include documented improved ambient air quality.

### **SUSTAINABILITY OF THE PROGRAM:**

From FY 2008 through FY 2012 and from FY 2017 through FY 2019, DEQ successfully administered the Oklahoma Clean Diesel Grant Program, which primarily focused on the

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<sup>1</sup> <https://www.schoolbusfleet.com/news/721711/blue-bird-vision-gasoline-school-bus-certified-by-epa-carb>

replacement, repower, and retrofitting of school buses across the state. In addition, DEQ successfully administered ARRA grant money to further the clean school bus program in FY 2008 and FY 2009.

DEQ will continue to share funding information with state superintendents, trade associations, and municipalities. Additionally, staff will investigate new ways to publicize the FY 2019-20 funding opportunity. DEQ will continue to promote the Oklahoma Clean Diesel Grant Program on its website: <http://www.deq.state.ok.us/AQDNEW/cleandiesel/index.html>. This webpage not only connects potential subgrant recipients to new funding opportunities but allows them to see the history of Oklahoma Clean Diesel Program successes. The webpage also includes information on clean diesel issues, including idle reduction, and health and environmental impacts. DEQ will also publicize grant opportunities through social media.

DEQ has promoted the Oklahoma Clean Diesel Grant Program in past years by honoring the good works of subgrant recipients through awards and press events. If subgrant recipients show interest in such recognition, DEQ will continue to recognize successful applicants for their commitment to improving Oklahoma's air quality through the reduction of diesel emissions.

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**2019 Itemized Project Budget**

Budget Category	EPA Allocation	Mandatory Cost-Share	Voluntary Match (if applicable):	Line Total
			<i>(VW Mitigation Trust Funds)</i>	
1. Personnel	\$29,335	\$0	\$19,557	\$48,892
2. Fringe Benefits	\$14,763	\$0	\$9,842	\$24,605
3. Travel	\$935	\$0	\$624	\$1,559
4. Equipment	\$0	\$0	\$0	\$0
5. Supplies	\$300	\$0	\$200	\$500
6. Contractual	\$0	\$0	\$0	\$0
7. Other	\$422,465	\$2,112,324	\$281,643	\$2,816,432
<b>8. Total Direct Charges (sum 1-7)</b>	\$467,798	\$2,112,324	\$311,866	\$2,891,988
9. Indirect Charges	\$12,379	\$0	\$8,252	\$20,631
<b>10. Total (Indirect + Direct)</b>	\$480,177	\$2,112,324	\$320,118	\$2,912,619
11. Program Income	\$0	\$0	\$0	\$0
12. Other Leveraged Funds*	\$0	\$0	\$0	\$0

**2020 Itemized Project Budget**

Budget Category	EPA Allocation	Mandatory Cost-Share	Voluntary Match (if applicable):	Line Total
			<i>(VW Mitigation Trust Funds)</i>	
1. Personnel	\$19,315	\$0	\$12,877	\$32,192
2. Fringe Benefits	\$9,137	\$0	\$6,091	\$15,228
3. Travel	\$300	\$0	\$200	\$500
4. Equipment	\$0	\$0	\$0	\$0
5. Supplies	\$180	\$0	\$120	\$300
6. Contractual	\$0	\$0	\$0	\$0
7. Other	\$470,755	\$2,353,776	\$313,837	\$3,138,368
<b>8. Total Direct Charges (sum 1-7)</b>	\$499,687	\$2,353,776	\$333,125	\$3,186,588
9. Indirect Charges	\$7,324	\$0	\$4,882	\$12,206
<b>10. Total (Indirect + Direct)</b>	\$507,011	\$2,353,776	\$338,007	\$3,198,794
11. Program Income	\$0	\$0	\$0	\$0

**Explanation of Budget Framework**

• **Personnel**

- **OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
CLEAN DIESEL GRANT - FFY 2019  
SALARY, FRINGE AND INDIRECT**

	<b>Annual</b>	<b>Annual</b>	<b>Annual</b>	<b>MAN- YEAR</b>	<b>GRANT</b>	<b>GRANT</b>	<b>INDIRECT</b>	<b>GRANT</b>
<b>CLASSIFICATION</b>	<b>Salary</b>	<b>Fringe</b>	<b>Indirect</b>	<b>ON GRANT</b>	<b>SALARY</b>	<b>FRINGES</b>	<b>COSTS</b>	<b>TOTAL</b>
Env Programs Specialist II	\$46,250	\$23,592	\$19,605	0.30	\$13,875	\$7,078	\$5,882	\$26,835
Env Programs Specialist I	\$40,870	\$22,293	\$17,730	0.15	\$6,131	\$3,344	\$2,660	\$12,135
Env Programs Specialist IV	\$59,094	\$26,694	\$24,081	0.05	\$2,955	\$1,335	\$1,204	\$5,494
Env Programs Specialist III	\$53,119	\$25,251	\$21,998	0.05	\$2,656	\$1,263	\$1,100	\$5,019
Env Programs Specialist I	\$40,870	\$22,293	\$17,730	0.35	\$14,305	\$7,803	\$6,206	\$28,314
Env Programs Manager	\$64,717	\$28,052	\$26,040	0.05	\$3,236	\$1,403	\$1,302	\$5,941
Attorney	\$71,043	\$29,580	\$28,245	0.05	\$3,552	\$1,479	\$1,412	\$6,443
Professional Engineer	\$72,719	\$29,984	\$28,829	0.03	\$2,182	\$900	\$865	\$3,947
<b>TOTALS</b>	<b>\$448,682</b>	<b>\$207,739</b>	<b>\$184,258</b>	<b>1.03</b>	<b>\$48,892</b>	<b>\$24,605</b>	<b>\$20,631</b>	<b>\$94,128</b>

	<b>EPA Allocation</b>	<b>Voluntary Match</b>	<b>Mandatory Cost Share</b>	<b>Total</b>
Salary	\$29,335.0	\$19,557.0	n/a	\$48,892
Fringe	\$14,763.0	\$9,842.0	n/a	\$24,605
Indirect*	\$12,379.0	\$8,252.0	n/a	\$20,631
<b>TOTAL</b>	<b>\$56,477</b>	<b>\$37,651</b>		<b>\$94,128</b>

\*See Appendix B for the indirect cost rate agreement.

• OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
 CLEAN DIESEL GRANT - FFY 2020  
 SALARY, FRINGE AND INDIRECT

	Annual	Annual	Annual	MAN- YEAR	GRANT	GRANT	INDIRECT	GRANT
CLASSIFICATION	Salary	Fringe	Indirect	ON GRANT	SALARY	FRINGES	COSTS	TOTAL
Env Programs Specialist II	\$47,499	\$23,894	\$18,377	0.35	\$16,625	\$8,363	\$6,432	\$31,420
Env Programs Specialist II	\$47,499	\$23,894	\$18,377	0.05	\$2,375	\$1,195	\$919	\$4,489
Env Programs Specialist IV	\$59,893	\$26,887	\$22,337	0.05	\$2,995	\$1,344	\$1,117	\$ 5,456
Env Programs Specialist III	\$53,919	\$25,444	\$20,428	0.05	\$2,696	\$1,272	\$1,021	\$4,989
Env. Attorney IV	\$84,701	\$32,878	\$30,265	0.05	\$4,235	\$1,644	\$ 1,513	\$7,392
Env Programs Manager	\$65,316	\$28,197	\$24,070	0.05	\$3,266	\$1,410	\$1,204	\$ 5,880
<b>TOTALS</b>	<b>\$358,827</b>	<b>\$161,194</b>	<b>\$133,854</b>	<b>0.60</b>	<b>\$32,192</b>	<b>\$15,228</b>	<b>\$12,206</b>	<b>\$59,626</b>

	EPA Allocation	Voluntary Match	Mandatory Cost Share	Total
Salary	\$19,315.20	\$12,876.80	n/a	\$32,192
Fringe	\$9,136.80	\$6,091.20	n/a	\$15,228
Indirect	\$7,323.60	\$4,882.40	n/a	\$ 12,206
<b>TOTAL</b>	<b>\$35,776</b>	<b>\$23,850</b>		<b>\$ 59,626</b>

• **Travel**

For FY19, it is anticipated that two staff members will travel approximately 3,117 miles within the state for site visits to confirm equipment has been disabled as required and, in some cases, conduct award ceremonies to recognize participation in the DERA program. Award ceremonies will be conducted upon request of subgrant recipients. The mileage reimbursement rate is \$0.50 per mile. The total cost is approximately \$1,559.

For FY20, it is anticipated that two staff members will do two to three spot inspections within the state for site visits to confirm equipment has been disabled as required and, in some cases, conduct award ceremonies to recognize participation in the DERA program. Award ceremonies will be conducted upon request of subgrant recipients. The mileage reimbursement rate is \$0.57 per mile, with an estimate 869 miles. The total cost is approximately \$500.

• **Supplies**



Supplies include items such as postage, paper, pens, certificates for participants, and other miscellaneous office supplies. The total cost is approximately \$500 for FY19, and \$300 for FY20.

- **Contractual**

No contractual services are anticipated for the grant program. However, the competitive bid provisions of the Oklahoma purchasing act (Title 74 O.S. §85.1 *et seq.*) of the Oklahoma State Statute and the State Purchasing Rules ensure fair competition for suppliers. Designated purchasing agents are required to obtain bids as authorized by The Central Purchasing Act for the purchase of goods, services, construction, or information services. The State Purchasing Director oversees solicitations for acquisitions by invitation to bid, request for proposal, or request for quotation, and ensures that an evaluation method is clearly identified in any solicitation. The evaluation method must be either “lowest and best” or “best value.”

- **Other**

For the purposes of this application, Oklahoma assumes all successful applicants will be from school districts to replace buses. DEQ will administer the funds to final recipients as subawards through a competitive selection process. As projects are carried out, any allocation changes will be updated and published in the forthcoming quarterly and summary reports

<b>FY 2019</b>				
<b>Budget Category</b>		<b>EPA Allocation</b>	<b>Voluntary Match (if applicable)</b>	<b>Mandatory Cost-Share (if applicable)</b>
8. Other				
29 school buses	\$97,118.34/bus	\$14,567.75/bus	\$9,711.83/bus	\$72,838.76/bus
<b>Grand Total</b>	\$2,816,432	\$422,465	\$281,643	\$2,112,324

<b>FY 2020</b>				
<b>Budget Category</b>		<b>EPA Allocation</b>	<b>Voluntary Match (if applicable)</b>	<b>Mandatory Cost-Share (if applicable)</b>
8. Other				
33 school buses	\$95,102.60/bus	\$14,265.30/bus	\$9,510.21/bus	\$71,326.55/bus
<b>Grand Total</b>	\$3,138,368	\$470,755	\$313,837	\$2,353,776

### **Administrative Costs Expense Cap**

Oklahoma DEQ understands up to 15% of the award can be used for administrative costs. The DEQ has budgeted for administrative costs to be 11.8% for FY19, and 11.9% for FY20.

### **Matching Funds and Cost-Share Funds**

For the 2019 funding year, the Oklahoma Department of Environmental Quality matched the EPA allocation of \$320,118. DEQ used the DERA Option of the Volkswagen settlement for this match.

For the 2020 funding year, the Oklahoma Department of Environmental Quality will match the EPA allocation of \$338,007 to maximize available funding allocations from EPA. DEQ intends to again use the DERA Option of the Volkswagen settlement for this match.

Applicants pursuing clean diesel projects will be required to provide matching funds. The actual match percentage is described in detail for each potential project under Vehicles and Technologies in the Scope of Work. The DEQ will follow EPA guidelines and requirements regarding all clean diesel projects.

### **Funding Partnerships**

The grant program will fund projects through subawards only.